## **DOCKET SECTION**

## BEFORE THE POSTAL RATE COMMISSION WASHINGTON, D.C. 20268-0001

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POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

## UNITED STATES POSTAL SERVICE INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO UNITED PARCEL SERVICE WITNESS HENDERSON (USPS/UPS-T-3—1-3)

Pursuant to rules 25 and 26 of the Rules of Practice and Procedure and rule 2 of the Special Rules of Practice, the United States Postal Service directs the following interrogatories and requests for production of documents to United Parcel Service witness Henderson: USPS/UPS-T-3—1–3.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr. Chief Counsel, Ratemaking

Richard T. Cooper

475 L'Enfant Plaza West, S.W. Washington, D.C. 20260–1137 (202) 268–2993; Fax –5402 January 27, 1998

USPS/UPS-T3-1. Please refer to your testimony at page 10. Please confirm that if the price of a postal product or service exceeds its average incremental cost, that product or service will make a "contribution" to joint and common ("institutional") costs. If you do not confirm, please explain fully.

USPS/UPS-T3-2. Please refer to <u>Opinion and Recommended Decision</u>, Docket No. R94-1, paragraph 4010. Please explain how, if at all, employing markups over average incremental cost would determine the "'assignment' of the remainder [non-attributable cost] based upon non-cost factors."

USPS/UPS-T3-3. Please refer to your testimony at page 12. Does your discussion of "the appropriate basis for postal pricing markups" assume that the long-run incremental cost of a postal product or service is greater than the short-run incremental cost of that product or service? Please explain fully.

## **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

Richard T. Cooper

475 L'Enfant Plaza West, S.W. Washington, D.C. 20260–1137 January 27, 1998